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PSYCHOLOGICAL STRATEGY BOARD
Washington, D. C.NSC review completed - may be declassified in
full

August 5, 1953

MEMORANDUM OF INFORMAL PSB MEETING, AUGUST 5, 1953

Place: Office of the Director of Foreign Operations
AdministrationPresent: Messrs. Jackson, Smith, Kyes, Dulles, Stassen and
Morgan.Agenda Item 1. Proposal for Project on Future U.S. Problems in the
Satellite States

The project was approved.

Agenda Item 2. PSB Relations with USIAThe Board felt that the proposed drafting of an NSC directive for
USIA should wait until the new organization has had time to get settled.Agenda Item 3. Study in Decline of American Prestige Abroad

It was decided that Mr. Dulles would have a coordinated estimate prepared as a matter of urgency on the basis of whatever relevant information can be obtained, notably from State Department and CIA sources, together with material to be supplied by Mr. Jackson. Then the PSB Staff would be asked to draft a plan for meeting and reversing the alleged decline in U.S. prestige. This plan would be submitted to the Board for approval. I called the Board's attention to the fact that the NSC action calls for Council consideration of the Board's study before mid-September.

Agenda Item 4. German Developments

The Board considered a number of suggestions for action. It felt that a second note to Moscow might be over-doing it at this time, and that for the coming week the following would suffice: (1) the High Commissioner's offer to release for the purchase of food East German funds now frozen; (2) a strong line on RIAS attacking East German repressive measures as a crime against the people; and (3) the scheme to encourage East Berliners to pass food parcels on to Germans in the East Zone ("Every German help a German."). Messrs. Dulles and Kyes also agreed to inquire for suggestions on how to discourage East German police and paramilitary personnel from taking part in repressive measures. The Board agreed further that the current procurement of food for the German operation should continue in order to keep the stockpiles high, and that a certain proportion of the food for East Germany should not be consigned directly to the German Federal Republic in order to retain for the U.S. a free hand to meet contingencies. In addition, it was agreed that press clamor for greater use of the "Made in America" label in connection with this program should be firmly resisted. In general the Board felt

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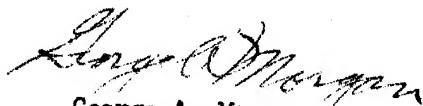
that a change of pace might be more desirable than a steady build-up in the exploitation of satellite unrest. With this thought in mind, it directed the PSB D-45 Working Group to inquire into the possibility of shifting the main action to Poland or some other satellite country.

Agenda Item 5. Draft Executive Order on OCB

This item was discussed.

Agenda Item 6. Other Business

The Board instructed me, with the assistance of agency representatives, to make a preliminary study on how to implement NSC Action 866 with respect to implementation of the Jackson Committee recommendations.



George A. Morgan
Acting Director.

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